

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Approval of Vendors with a Potential Conflict of Interest
Date: August 30, 2001

Recommended Action:

Approve the following additions to Iowa State University's list of approved vendors with a potential conflict of interest:

- Kroeschell Desktop
- Persuade and Publish

Executive Summary:

Vendors at the Regent institutions with a potential conflict of interest are required by statute to be approved by the Board. Iowa State University (ISU) requests that Kroeschell Desktop and Persuade and Publish be approved as vendors with a potential conflict of interest.

Beth Wessel-Kroeschell is the owner of the Kroeschell Desktop, which provides desktop publishing/editing services. Karen Piconi is the sole owner of Persuade and Publish, which provides communications consulting services.

ISU reports that the spouses of Ms. Beth Wessel-Kroeschell and Ms. Karen Piconi are employed by the University and will not participate in any evaluation or award decisions related to the respective services provided to Iowa State University.

A summary of institutional expenditures with approved conflict of interest vendors is included in the annual purchasing report presented to the Board in November.

Background:

Iowa Code §68B.4 prohibits an official or employee of a regulatory agency from selling, either directly or indirectly, goods or services to the agency of which the individual is an official or employee, except when certain conditions are met. The Iowa Code requires all regulatory agencies to adopt rules specifying the method by which employees may obtain agency consent for exception.


The Board's adopted rules are incorporated in Regent Procedural Guide §10.09. Board authorization is required when a single purchase from a conflict of interest vendor (Regent employee) exceeds \$1,000 or a fiscal year's cumulative purchases exceed \$2,000.

The Board's authorization of a vendor with a potential conflict of interest does not alleviate the requirement to obtain competitive bids and provide public notice as prescribed in Iowa Code §68B.3.

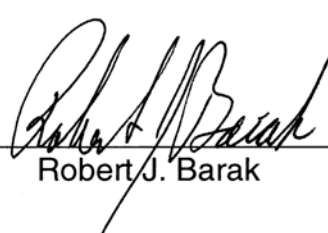
Board rules preclude individuals with potential conflicts from being directly involved in the purchasing decisions or authorizing of any such contracts as well as making material changes to such contracts.

Beth Wessel-Kroeschell, owner of Kroeschell Desktop, wishes to provide desktop publishing/editing services such as desktop publishing for newsletters and brochures to the University. Ms. Wessel-Kroeschell's husband is the Associate Athletic Director for Media Relations in the Athletic Department of Iowa State University. Ms. Wessel-Kroeschell states that she will not provide any services for the ISU Athletic Department. The University states that Mr. Kroeschell will not participate in any evaluation or award decision relative to services provided by Kroeschell Desktop

Karen Piconi, sole owner of Persuade and Publish, wishes to provide communications consulting services such as fund-raising and development, strategic planning, and proposal and grant writing to the University. The University reports that Ms. Piconi's husband, a Professor of Spanish at Iowa State University, will not participate in any evaluation or award decisions related to any services provided by Ms. Piconi's to Iowa State University.


Pamela M. Elliott

Approved: _____


Robert J. Barak